

TARIFF RE-ADJUSTMENT.

CANADA'S
National Policy
MR. C. C. COLBY'S
GREAT SPEECH
— ON —
TARIFF REVISION.
House of Commons.
March, 1878.

ADDED AN OPEN LETTER FROM MR. COLBY AND THE
AMENDMENT MOVED BY

R. JOHN MACDONALD

re-adjustment of the Dominion Tariff

With the Division Thereon.

COMPLIMENTS OF

C. H. MACKINTOSH,

"CITIZEN," OTTAWA.

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AN OPEN LETTER

FROM

MR. C. C. COLBY, M.P.

MR. C. H. MACKINTOSH,

Editor Ottawa Citizen :—

My Dear Sir,—Believe me, I appreciate your kind and complimentary letter, more particularly as I fully estimate the efforts your journal has put forth in advocacy of a National Fiscal Policy. The speech upon Tariff Revision, lately delivered by me, in the House of Commons, you are quite at liberty to use in any way you deem proper. Had I anticipated the extensive publication you propose giving it, I should have arranged it with greater care. You will recollect, I entered the field of debate as a tardy gleaner, having little reason to expect that I would be able to gather even a respectable sheaf.

As the Tariff question must exercise a large influence at the coming election, I think it important that there should be an accurate definition of respective party beliefs. No one of the Conservative party having dissented from any exposition of its platform, and the Finance Minister and the Hon. Mr. Mills having manifested their assent, as, step, by step, I laid down what I understood to be the Ministerial planks, the country may, I think, accept my definition as substantially correct. I endeavored to prove that the declaration of Hon. Mr. Mackenzie, "that if a particular trade or industry were to be protected it could only be done at the expense of some other trade or industry" is historically, and in fact, untrue. The above declaration is the major premises of the Free Trade arguments, as applied in Canada. If it fails, the superstructure must fall.

I endeavored to show that the carefully stated announcement by the Finance Minister, in his Budget speech, of the mode of taxation, in vindication of which he and his associates are "prepared to fight to the death" is, when analysed, a pointed and emphatic declaration that even the mildest form of Incidental Protection is "legalised robbery." Neither the Finance Minister, the Hon. Mr. Mills nor any other member of the

Government, although challenged, presumed to deny that the following dictum of John Stuart Mill, is a true exposition of the mode of taxation for the adoption of which the Government is "prepared to fight to the death." Mr. Mill says:—"Custom duties are, *cæteris paribus*, much less objectionable than excise, but they must be laid only on things which either cannot, or at least, will not, be produced in the country itself, or else their production there *must be prohibited* (as in England is the case with tobacco) or *subjected to an excise duty of an equivalent amount.*"

I pointed out that there is nothing to prevent the adoption in Canada of this mode of raising revenue—if Ministers are retained in power and have the courage of their declared convictions—but that its adoption would cause the immediate overthrow of nearly all the manufacturing industries. I endeavored to show that the vaunted Free-Trade policy of England, is *a novel and most ingenious form of Protection*, and that it was so intended, and that it was given to English manufacturers at a time when (they having entire control of the home market) protective duties were nugatory, and when the removal of duties from raw material and breadstuffs afforded them the *most efficient aid and protection that Parliament had power to give.*

I endeavored to prove, that the labored statistics of Mr. Charlton are utterly valueless as evidence, either of the actual condition of our own manufactures, or of the true results of a Protective Policy in the United States.

I endeavored to show, that an attempt to build up *King Wheat* in Ontario on Free-Trade foundations would be as futile and disastrous as was a similar effect to build up *King Cotton* in the Southern States, and that the true interests of the farmers would not be served by breaking down their best market, diminishing the number of consumers and increasing the number of producers of farm products.

I pointed to the serious loss occasioned by the inactivity of the Government in 1876 in the matter of Petroleum duties, and the inconsistency and "legalised robbery" involved in their legislation of 1877.

I endeavored to show, that we strengthen the hands of our enemies and weaken the hands of our friends in the United States on the Reciprocity question, so long as we tolerate the existence of trade relations which have the effect—

- 1st. To diminish our trade with England;
- 2nd. To diminish the ratio of exports to imports in our trade with the United States;
- 3rd. To add 30 per cent. in three years to the value of our imports of manufactured goods from the United States, in the face of diminished exports and diminishing cost of goods.

Such is the exhibit shown in the Trade and Navigation Returns this year. With that exhibit in hand, every foe to Reciprocity living in the United States will successfully urge that "this condition is better than Reciprocity, we have our own and half the Canadian market, while the Canadian has only half his own, and no portion of our market. We have only to wait a little until Free-Trade principles take root there, and we will wholly occupy the Canadian market as well as our own." Lumbermen should make a note of this.

I believe, sir, that Canada can thrive under fair reciprocity with the United States. It did thrive under that system for eleven years. I further believe, that Canada can thrive under such a National Policy as would give our own markets to our own workers. We had experience of that from 1862 to 1872—during the period when Americans were so occupied in supplying their home demand that we had possession of our own markets—an abnormal condition, equivalent in its practical effect upon us, to a high protective tariff. I believe also, that if hostile ingenuity were to contrive a system for us under which we could not be expected to prosper, it would very nearly resemble the unequal and unfair one which now subsists between us and our neighbors, to which the present administration seems devotedly attached. The conditions in 1878, are so different from the conditions which existed in 1868, that a judicious readjustment of the tariff seems to be a most pressing necessity. It was my purpose to touch some other points involved in this great question, but I could not presume further upon the indulgence of the House at a very late hour.

It was my purpose to consider the *laissez faire*, "fly on the wheel" policy, or no policy, so frequently avowed by Ministers, and to show its inapplicability to a new and growing country like ours. The idea that trade should be as free as the air, is captivating to many; but other analogies are suggestive of great truths. The wise father does not give license to the exuberant energies of his son, but strives rather to educate, restrain and guide. Liberty is wisely fettered and its choicest blessings are secured by the restraints of wholesome law. The husbandman restrains the wild luxuriance of his vines and fruit trees and attains the best results by training, pruning, grafting, fostering and enriching them—in short, by adopting a moderately protective policy.

I intended, also, to consider what I deem a grand Free Trade fallacy, namely, that moderate protection invariably enhances the cost of goods to the consumer, and to show that, in most instances, home competition sufficiently reduces prices, and that, were it otherwise, the numerous indirect benefits of home manufactures and home markets would compensate for a very considerable enhancement of price. Who, for

instance, can estimate the benefit to the farmer, that he has at his door manufactories of boots and shoes, clothing, furniture, foundry-goods and implements, where the products are procurable without the agency of numerous middlemen and where they are all adapted to his special needs?

Why is it, that the farmers of the Western States, where harvest labor is two to three dollars per day, are able to produce wheat, transport it a thousand miles by rail and three thousand miles by sea and compete in Europe with the water freighted wheat of Russia, where harvest labor is procurable at ten cents per day? The perfection and infinite variety of labor saving machinery, which are the direct result of mechanical skill, invention and opportunity stimulated and developed by protected manufacture in the country, (the condition and needs of the farmer being thoroughly understood by the mechanic who serves him) largely contribute to the American and Canadian farmer's ability to compete in cereals with the cheap farm labor of Europe. If the farmer complains that he pays a profit on the needed implements, he should also recollect that, but for the system of which I speak, the implements might not have been produced or be procurable at any price.

Hon. Mr. Mills, at Fergus, and Mr. Charlton in the House of Commons, have attempted to make Canadian farmers happy by the idea that the American consumer pays the duties upon farm products exported to the United States. They marshal a long array of figures, borrowed from United States Custom House returns, which, if correct, show a very considerable advance in the prices of horses, horned cattle, sheep, wheat, wool, barley, rye and other cereals, from the abrogation of the Treaty down to the present time. One fact is clearly established, but it is not the one they aim at, namely, that during the period of high protection in the United States, the prices of these articles in the United States markets have very materially advanced—indeed that they have advanced more than thirty per cent, as will appear by adding the United States Customs duties to the prices at which these articles are entered.

That the American farmer has had the full advantage of this remarkable increase of price, is not to be disputed. But that the Canadian exporter has had a similar advantage, is by no means established. On the contrary, the Eastern Townships farmer knows that when an American drover pays to his neighbor living across the line, two hundred dollars for a pair of oxen and pays him only one hundred and sixty-seven dollars for a pair of similar size, condition and quality, that the difference of \$33 going to the United States Treasury, is a direct loss to him and not to the American consumer.

Similarly, the Nova Scotia farmer knows that the buyer of potatoes for the Boston market pays to the farmer in Maine 16 cts. per bushel

more than he pays to the farmer in Nova Scotia for a similar article, freights being the same, and that the loss falls upon him and not upon the Boston purchaser. The Prince Edward Islander knows that he loses the American duty when he sends oats to Boston. Ten or twelve years ago some lumber manufacturers in Ottawa thought the American consumer paid the duty upon Canadian lumber, but the hard experience of recent years has completely dispelled the pleasing illusion.

In the long list of agricultural products, I think of only two in which the American consumer pays any appreciable part of the Customs duty, these are, combing wool, and barley for malting purposes. These exceptions to the rule, result from an insufficient home supply of the particular quality required for a special use. In these instances, the buyer is obliged to seek the residue in outside markets and pay the prices which prevail in the market of the country where he seeks them. As to the mass of our exports to the United States, large as it appears in figures, it is so small in comparison with the immense volume so abundantly produced in the United States, that it no more impresses the markets there, than a little tributary streamlet swells the waters of the St. Lawrence. Our friends, the Free-Trade statisticians, sometimes get strangely mixed and muddled over their own figures and arrive at very curious conclusions.

I intended to urge, as essential to success in any industry which requires the employment of large capital, that the policy of a Government must be such as to inspire confidence and a feeling of security in the minds of capitalists. It has been well said that men do not embark either capital or skill in enterprises liable at any time to be destroyed by inconsiderate or unfriendly legislation. A stable order of things and a well founded confidence in the future are all essential conditions of manufacturing success. Such stability and such confidence, the English manufacturer has always enjoyed. Alike in peace and in war, and under all administrations, he has been able to rely upon the steady and enlightened co-operation of his Government. To protect, encourage and extend the manufactures of Great Britain, has been the wise and uniform policy of her statesmen for at least a century, and the result is seen in a manufacturing prosperity that is without parallel. What confidence or security can Canadian manufacturers be expected to feel when the Government which shapes the fiscal policy of the country lacks faith in the possible success of their enterprises, and declares that they "can be fostered only at the expense of other industries," and that any form or degree of protection to them is "legalized robbery!"

I intended also to call attention to the following remarkable words in the Hon. the Finance Minister's speech at Fergus; Mr. Cartwright

said: "After all said and done, the three great sources of our wealth are our farms and their products, our forests and our fisheries and ships. I do not say that our manufactures should be abolished. I do not undervalue their importance, nor do I say that there are not valuable sources of wealth in our mines; but at present the wealth of Canada must proceed mainly from those three great sources named above." If the Finance Minister lacks faith in the success of the other industries, it may be safely assumed that *during his financial administration, those other industries will not succeed in Canada.* I will not say that it is unpatriotic, but surely it is unwise, by such discouragement, to chill the hope and energies of our people. Such words, even were they true, do not tend to make a nation great and prosperous. Mr. Cartwright seems always to ignore that fruitful source of wealth and prosperity which lies in the energy and capability of a people, if by any means these forces have a fair field for activity and development.

For illustration, see how the sons of New England—educated in the thorough training schools of her diversified industries—have diffused their peculiar energy, ingenuity, invention, skill, thrift and practical knowledge of affairs, so that it may almost be said that the blood of New England is the life of the progress of the United States.

Finally, I think we are bound to accept recent utterances of Ministers as declarative not only of their belief in the efficacy of Free-Trade for Canada, but also of their intention to give effect to their views so far and as fast as they can influence public opinion in that direction. The collapse of the sugar refining business, and the embarrassment of various industries which they have refused to foster, clearly indicate what must follow the adoption of such a policy. No one having the remotest confidence in their honesty and consistency, can believe that they intend to *practice Protection*, while they *profess Free-Trade*. Such a belief would be an imputation of insincerity and duplicity. It would, in effect, charge them with the deliberate purpose of giving countenance to Free-Trade views in sections where Free-Trade dogmas are popular and at the same time reserving to themselves the advantage of being able to state in other sections that, as in the past, so in the future, the exigencies of the Revenue will necessitate a high Tariff.

Their Protectionist followers must indeed cherish a dismal hope, if it has no better foundation than a belief in the insincerity of their leaders.

I have the honor to be, sir,

Your obedient servant,

CHAS. C. COLBY.

HOUSE OF COMMONS,
OTTAWA, March 28th, 1878. }

SIR JOHN MACDONALD'S AMENDMENT.

[On the 12th of March, 1878, the House resumed the adjourned Debate on Mr. Cartwright's proposed motion:—"That Mr. Speaker do now leave the Chair, for The House to go again into Committee of Supply,"—and the motion of Sir John A. Macdonald in amendment thereto, that all the words after the word "That" be left out, and the following inserted instead thereof: "it be Resolved, That this House is of opinion that the welfare of Canada requires the adoption of a National Policy, which by a judicious readjustment of the Tariff will benefit and foster the Agricultural, the Mining, the Manufacturing and other interests of the Dominion; that such a Policy will retain in Canada thousands of our fellow countrymen, now obliged to expatriate themselves in search of the employment denied them at home; will restore prosperity to our struggling industries, now so sadly depressed; will prevent Canada from being made a sacrifice market; will encourage and develop an active interprovincial trade: and moving (as it ought to do) in the direction of a reciprocity of Tariffs with our neighbours, so far as the varied interests of Canada may demand, will greatly tend to procure for this Country, eventually, a reciprocity of Trade." Speaking to this amendment Mr. C. C. Colby, M.P., for Stanstead, delivered the accompanying speech:—]

Mr. COLBY said: I deem it a fortunate circumstance, and I think the country will hail with satisfaction the fact that the two great political parties have at last found an important, living and vital issue, upon which they can fairly and honestly divide and upon which they can rest their respective claims to public confidence. I think I am not wrong in saying, that for the first time since we became a Dominion, has such an issue arisen. In the main, the two great political parties have been in unison upon those great measures which have been initiated and carried on since the Confederation of the Provinces. There were differences, for instance, with respect to the construction of the Intercolonial railway, but not with regard to the principle involved, both parties agreeing that that railway was a necessity. There were differences with regard to the acquisition of the North West territories; but they were differences of detail, differences as to the terms upon which they should be acquired, not as to the policy of their acquisition. So with respect to the acquisition of British Columbia; there were differences with regard to the terms upon which it should be acquired, but upon the principles involved, all parties in this country were substantially in accord. It is matter for regret that the parties which have been arrayed against each other in political warfare, have not

found better and greater questions upon which to exercise their ability. As a consequence of this, our politics often descended to personal issues and to unworthy attacks on the characters of public men, for which neither of the great parties is entirely blameless.

The New Party Issues.

But we have at last a great question, an economical question, a question upon the solution of which will largely depend the future of the Dominion. It is not, I believe, as was stated by the Hon. the Minister of the Interior, in one of those pic-nic speeches, of which we have a voluminous record, a contest between knowledge and ignorance; it is not a contest between a generous spirit and selfishness; it is not, as had been stated by the Hon. the Premier, a question in which the views of one party savoured of barbarism and the barbarous age, but it is a question upon either side of which the best minds of all civilised countries have been, for very many years, engaged. It is a question on which a certain class of thinkers, able, intelligent, acute, thoughtful men, I admit them to be, hold to certain theories and views which they believe are applicable to all conditions of affairs, in which I will freely admit they are fortified by the prestige of the great manufacturing and commercial success of England, since she started upon the policy which they so loudly applaud. But on the other hand, it must be remembered that while the *doctrinaires* are so strengthened by that illustrious example, they are opposed by the statesmanship of every country with the exception of England—that the leading public and influential men who controlled the fortunes of France, Germany, Russia, the United States, and every other civilized country, so far from having accepted the views of those *doctrinaires*, have acted upon a different policy, upon the policy which is recognized as that of the Opposition in this House to-day, the policy which is affirmed by the amendment proposed by the Right Hon. Member for Kingston.

Sir John Macdonald's Amendment.

It is not true that the proposition before the House is, as it has been termed by some one, a vague, unmeaning proposition. I maintain that this amendment is a clear, bold, distinct and intelligible declaration of a positive policy, and that those who support the views therein expressed do so maintain them as the result of calm and settled conviction; that they are not put forward for *ad captandum* purposes, or for the purpose of getting votes. They have been iterated and reiterated for years in this House, by thoughtful and patriotic men, whose views are entitled to as much weight as any in this country. The amendment starts with the assumption that the country needs a national policy. Now, it is not denied by either party that a customs tariff, as a mode of raising revenue, is a favourite one with free traders and protectionists alike; nor that, largely on the way in which a tariff is framed, depends the existence and the success of the industries to which the

tariff applies. A customs tariff might destroy industries, or it might build up industries. This fact could not and would not be controverted, and the proper solution of the question, as to whether they should adopt a customs tariff that would have the one or the other of these effects, would largely influence the future prosperity of our young country.

The Raising of Revenue not the sole purpose of Customs Tariff.

The amendment before the House is comprehensive, though concise. It implies that it is the duty of every nation to adjust its customs tariff to its own special needs; that the impossible task is not imposed upon any country, of looking after the interests of every other nation, but a duty devolving upon each nation to adjust its own tariff with special reference to its own peculiar needs, having in view, also, its relations to other countries. Every customs tariff should aim at developing the maximum of production of which the country is capable. In framing a tariff, we should consider all the resources of the country, all its dormant and unused energies and capabilities; the wealth which lies below the soil in our mines, as much as the wealth of the soil, and the wealth above the soil, in our lumber. We should also consider the resources of the country with reference to its capability of becoming a successful manufacturing nation; and more than that, we should consider the capacity and aptitude of the people, and aim at framing the tariff so as, in the largest degree, to develop the varied powers of all the people, and give them an opportunity of engaging in that calling or department of business to which they may have special aptitude or inclination. We do not believe in the views propounded by gentlemen opposite, that it is not the business of Government to care for any of these things, that Government is a mere taxation and revenue distributing machine, which should move according to certain fixed laws and ultimate principles. The supporters of this amendment claim, on the contrary, that the financial policy of a country should not be based on any ultimate principle of free trade or protection, but that it should be specially adaptive to the conditions of the country to which it is applied.

A True National Policy Defined by Mr. Charlton in 1876.

We believe that every customs tariff should have a distinct and definite purpose and intelligent aim; that it should be based upon a correct estimate and appreciation of all the varied resources and capabilities of the country, and should shape them in the direction of their best possible development. The general views affirmed in this amendment, have been more than once stated in this House, by many able and thoughtful members, clearly and distinctly; yet the House will pardon me for stating that the exposition of my honorable friend the member for North Norfolk (Mr. Charlton) in 1876, then a Protectionist but now an avowed Free Trader, was the clearest and best that has been given. I do not purpose troubling the House

with a recital of the hon. gentleman's speech, but will submit an analysis of its main propositions in their consecutive order. I aim at perfect fairness, and beg the hon. gentleman to correct me if I make a misstatement. This reference to the speech is not made for the purpose of placing my hon. friend at any disadvantage, or because he has since changed his opinions; but because it is the most careful, the best considered, the most clear and concise statement of the views now held by the Opposition, that has yet been given on this much debated subject. The hon. gentleman laid down as his first proposition (1) that a Government could be paternal and yet be free. In this he directly controverted the position taken by his leader, the Finance Minister, in his Budget speech last year, and vindicated one of the cardinal planks in the platform of the Opposition. His next proposition (2) was, that no nation had attained to greatness in manufactures or commerce without having imposed exactions and restrictions. This was a plain statement of an historical fact, upon which the Opposition lay great stress, and its truthfulness was clearly demonstrated by the hon. gentleman in his speech on the subject. The next proposition (3) was, that protection was especially necessary in a new country—and ours is a new country—to enable it to compete with countries where manufactures are established. The hon. member recognized in his speech the fact that the cheap money, the acquired skill, and the prestige of older manufacturing countries would take the lead in the race, and, as admitted by John Stuart Mill and other Free Traders, the country that had the lead, all things being equal, would keep it; he held that this advantage an old manufacturing country had, must be counteracted by restrictions in order to enable the new country to get a start in these industries. The next proposition of the hon. gentleman (4) was that judicious protection benefitted the nation at large, and especially the farming interest; that it created for the farmer a *home market*, and that the purchasing power of labour was increased. The Opposition believed equally with the hon. gentleman that protection did benefit the agricultural interest, and they believed also that the purchasing power of the farmer's labour would be vastly enhanced by the creation and proximity of home markets, as was clearly stated by that hon. gentleman. Again, he laid down the proposition, (5) that the experience of the United States, under a protective policy, was a clear and marked illustration of the benefits of protection. If this was true when the hon. gentleman so stated it, it is equally true now; and before I sit down I will adduce a few facts in corroboration. The hon. gentleman next said (6) that the tendency of protection was not to increase, but cheapen prices to the consumer. This is an incontrovertible proposition. Protection is merely a defence of the markets of a nation to the people of that nation. It simply gave a fair field to competitive skill, industry, and capital, where the highest prizes are for those who produce the best and sell the cheapest products. The hon. member for North Norfolk cited the iron and cotton manufactures of the

United States as indisputable proof of the fact that the tendency of protection is to cheapen prices. And he went further even than the amendment. He stated the fact, which I think he was justified in stating, that protection had been beneficial to the shipping interest of the United States as well; so that he covered the whole range of industries which come under the tariff, and he stated so emphatically, lucidly and concisely the various propositions upon which this amendment is predicated, that his speech was not only the most convenient method of formulating these propositions, but it was more effective perhaps than I could myself have given but for that memorable delivery. The hon. gentleman has changed his views; I have nothing to say in regard to that at the present moment, but will refer to it hereafter. I will now state the counter propositions which are supposed to embody the views and policy of the Government. The propositions embodied in the amendment are clear and distinct as day light.

The Ministerial Policy.

The counter propositions are equally distinct. They are the ordinary staple free trade dogmas, which we have had frequently in this House from the lips of men who have thoroughly studied them. One of the first distinct intimations of a new policy with which we have been favored is in a speech delivered in 1876 by a gentleman who stood very high in his party, and who then foresaw that these propositions might become a party issue. I refer to my hon. friend the member for North York (Mr. Dymond). He said in this House in 1876, particularly addressing his hon. friends in this House, that the good old word Reform had served a good purpose in its day, but that the time had happily now arrived when there was perhaps very little to reform; that it was important for the success of the Liberal Party that they should take a new departure, and take a new watchword, that they should place upon their banner a new motto, and the motto he gave them was one very dear to himself (for he was brought up at the very feet of Gamaliel, and had imbibed free trade with his mother's milk.) The motto which he proposed to substitute for the word "Reform," and around which Reformers should hereafter rally, was the word "Free-Trade." My hon. friend (Mr. Dymond), having uttered the word, seemed to think that perhaps he had gone too far, and that it was hardly fitting in him to lay down a platform for the party. Casting his eyes across the House he caught the anxious look of the hon. member for Hamilton, and dropping his voice to a scarcely audible undertone, repeated, "Free-trade—as it is understood in Canada." His clarion notes, proclaiming Free Trade, had reached away down to Nova Scotia, but his cautious undertone was intended for the ear only of the hon. members for Hamilton and their friends the manufacturers. The "motto," as modified, was calculated to serve the double purpose of rallying the free trade party around a grand banner and at the same time of quieting his hon. friends from Hamilton, who were a little restive that the free trade nag should be trotted out so prominently. That was the first note,

but my hon. friend was cautious not to place himself in a position where it would be impossible to retract, provided that it should be found he had gone too far. But that proposition was followed up by other hon. gentlemen who spoke with more authority. It would not be fair to judge of a party platform by the utterances of any of that party's supporters alone. I am aware that supporters of every party differed in their views with regard to these things. Some gentlemen on both sides of the House told them that the issue between parties was a question of Free Trade or Protection, and others that it was not a question of Free Trade or Protection.

The Corner Stone laid by the Premier.

One would not be justified in fixing the responsibility of any set of views upon a party based upon the utterances of any individual supporters of that party, however high they might stand in the party's ranks. I find the Hon. the Premier, however, making use of these words, and they may be accepted as authoritative:—

"The mere passage of an Act of Parliament would never establish any trade and would never foster any industry unless it were to change from one pocket to another the proceeds of the industries of the country. If a particular trade or industry were to be fostered, it could only be done at the sacrifice of some other trade or industry. There was no theory more consonant with the dark ages of the world than that which Protection afforded."

Now, this was a cardinal principle of Free Trade; it was the essential principle of Free Trade. It proceeded upon the assumption that if protection is given to any industry, it is necessarily done at the expense of some other industry of the country, and consequently that protection must be wrong,—wrong in its very essence, for the country must be injured by it. What did this doctrine do? Preached among the people, it made them believe that every industry in the country was the enemy of every other industry; it taught them to be jealous of the growth of every industry, except the particular one in which they themselves were engaged. The Opposition, on the other hand, believe in the sisterhood of these great industries, they believe that these industries are all of the same family, co-workers, independently, yet inter-dependently working out the prosperity of the country. They do not believe in the principle that because one industry prospers, it does so necessarily by fattening on another industry; or that the growth of one, involves the destruction of another. Here is a point upon which these hon. gentlemen on the Treasury Benches, and those who do not concur in their views differ essentially. Here is the very point where the roads diverge. The Opposition believe that the promotion of one industry, betters another.

Benjamin Franklin's Opinion.

When shrewd old Dr. Benjamin Franklin was in England, when his country was new when he was concerned with regard to its future; and when he sought information and was endeavoring to draw wisdom from abroad, which should conduce to the prosperity

his young country, and the adoption of a proper policy in its interests, he wrote from England to Humphrey Marshall in the following language, which I quote in illustration and in confirmation of the belief of the opposition in the sisterhood of the industries, and in their being mutually helpful to one another:—

“Every manufacture encouraged in our country makes part of the market for provisions within ourselves, and saves so much money for the country as must otherwise be exported to pay for the manufactures or supplies.”

He was then speaking of his own country: of England, he said:—

“Here in England it is well known and understood that wherever a manufactory is established, which employs a number of hands, it raises the value of the land in the neighboring country all around it, partly by the greater demand near at hand for the produce of the land and partly from the plenty of money drawn by the manufacturers to that part of the country. *It seems, therefore, the necessity of all our farmers and owners of land to encourage our young manufactures in preference to foreign ones imported among us from distant countries.*”

Dr Franklin was a shrewed man; he was an observing man; he was in pursuit of truth; and this was the deduction which he drew from his observations in England, and which he communicated patriotically to his people for their guidance. This harmonized so precisely with the views which the Opposition hold upon this subject, that I have taken the liberty of quoting it to the House.

The Premier's Proposition Historically, and in fact, untrue.

When the hon. the Premier stated that if a particular trade or industry were to be fostered it could only be done at the expense of some other trade or industry, he made an assertion which he will pardon me for saying is unsupported by argument or proof. The hon. gentleman will therefore pardon me if, in answer to that assertion, I make a counter-assertion; if I declare that it is historically and in fact, untrue. It is not true that in England during the period which terminated at the adoption of what is termed the free trade policy, the fostering of her great industries or manufactures which were fostered by the Government with all the ability that was within the competence of the Government—which were fostered by heavy protective duties, in many instances by actual prohibition of imports—which were fostered by export bounties, and in every other possible way—it was not true, I say, that the success of the manufacturing industry was brought about at the expense of the mining industry or of the agricultural industry or of any other great industry of that country. But it is true, contrary to the assumption—the false assumption unsupported by proof—made in the hon. the Premier's proposition that during all that period of the growth under the fostering care of the Government of the manufacturers in England, and in consequence of that growth and by reason of it, agriculture prospered more than it had ever done before. It is equally true that commerce then prospered there more than it had ever done before. It is equally true that the mining industry prospered more than it had ever done before, and that all the great industries of the country then

prospered there more than they had ever done before, notwithstanding the assumption of the hon. gentleman to the contrary; yet upon that assumption the hon. gentleman has chosen to risk the fortunes of his political party in this country; for that is the very basis and essence of the policy to which the Hon. the Finance Minister pledges his adhesion. I will take another instance: Nor is it true as to France, where the special industries of the country have been nurtured by the Government, where they have been protected by the Government, and been brought to a degree of perfection and excellence unequalled in the world—that the fostering care of the Government, in creating these industries, has resulted in the destruction of other industries. I maintain that agriculture and all the other industries in France, as in England, have grown concurrently with the growth of the manufacturing industries, and have kept pace with them. If France has risen from her ashes like the Phoenix, after the late war, and stands out before the world a marvel of recuperative energy, it is for the very reason that, by a continuous policy of that kind, the farmers of that country had been able to hoard their savings, in large sums, which they were able to give to the Government in its hour of need, thus redeeming the honor of France, and saving the credit of France, and vindicating the integrity of France, notwithstanding the great blow that had almost stricken her to the earth. If we apply that rule to England, it is historically untrue; and if we apply it to France, it is historically untrue. If, also, we apply it to Germany, to Russia, to the United States, to any other country where the system had been wrought out, we will find that it is historically untrue. This was assertion against assertion, but I will give proofs. I will go further. I will give proofs of industries that have flourished, that have admittedly flourished, that have been built up by a protective policy, and have been of inestimable advantage to the country in which they existed:

The Beet Root Sugar Industry in Europe a clear Refutation.

I beg to refer the Hon. the Premier, for an instance in confirmation of this view and to the overthrow of the hon. gentleman's own view, to the beet root sugar industry of France and Germany. I will hardly venture to attempt to prove a fact in refutation of a principle so emphatically, not to say dogmatically laid down, and rest upon any other than recognized Free Trade authorities. I will cite an authority which the Hon. gentleman and every Free trader will recognize as being a good one—the works of J. R. McCulloch, who was as keen a free trader as the Hon. the Minister of the Interior (Mr. Mills) himself. This was his statement with regard to beet root sugar. This gentleman would not be disputed as a free trade authority; he was sound; he was Gospel in this respect:

“It began in France during the exclusion of Colonial products in the reign of Napoleon, and received a severe check at the return of peace by the admission of West

India sugars at a reasonable duty. It is probable, indeed, that it would long since have been entirely extinguished but for the addition made to the duties on colonial and foreign sugars in 1820 and 1822. After the last mentioned epoch between the production of beet root sugar began rapidly to increase, and such was its progress that though in 1828 its produce did not exceed four millions of kilogrammes, it amounted in 1838 to more than thirty-nine millions of kilogrammes."

Mr. McCulloch, a free trade authority, tells us that this industry was planted in Protection; that it would have died out early, and was dying out after Napoleon's policy had passed away, owing to the free trade ideas that were in vogue after that time—but for another measure of protection which revived its drooping life. Let us see something further about the history of that industry. The first great impulse it had received was by means of Protection under the first Napoleon, and the final impulse which resulted in its assured success took place in the days of Louis Napoleon, in 1857. I will now quote from an official return which I think may be depended upon as correct:—

In 1857, the product of sugar was nearly 40,000 tons. About this time, Napoleon the Third turned his attention to this subject; *its protection was secured, and the following results were obtained by protection:—*In 1862, 170,000 tons of sugar were made in France; in 1868, 275,000 tons; in 1873, 396,000 tons; in 1876, 462,000 tons, or an increase of 125 fold."

Mr. MILLS, what amount of protection was given?

Mr. COLBY—I can not at this moment state the percentage, but it was sufficient to accomplish the purpose as a strict measure of protection. It was deemed and recognised as being high—in fact as an advance upon the protection to which Mr. McCulloch referred. I will give McCulloch again in a moment, with regard to the effect of protection on this industry, but in the meantime will quote from another high authority:—

In 1870-6, France produced as much as 462,000 tons of beet sugar annually. Yet she imported about 200,000 tons annually of cane and other sugars. And she so regulated her tariff as to do a refining business in foreign sugars as well as to produce and refine sugars of her own. The whole is refined in France is 225,000 tons, are annually consumed and the balance of about 437,000 tons is exported. The carrying trade in sugar alone, *though proper protection to this home industry, has therefore increased in 46 years from 35,000 tons to 862,000 tons, this is counting the importation and exportation of sugar, added to the local consumption. To this enormous trade thus created must be added the consumption of two million tons of coal required for the manufacture of beet sugar alone, besides the innumerable benefits to commerce and still greater benefits to agriculture obtained by the creation of such a stupendous industry. In fact it is well ascertained that France would never have survived from the disasters of her late war had it not been for the immense agricultural wealth created and hoarded all over the country either through its beet sugar factories or its wine culture."*

A Well Established Leading Industrial Pursuit.

I will now quote again from Mr. McCulloch, and perhaps the hon. the Premier will be able to reconcile it with his assumption to the contrary:—

"Hence it would appear that what was long considered as a sort of exotic industry, introduced when colonial sugar was excluded from the Continent, and *depending in great measure on Custom House Regulations, will probably become a well established, leading industrial pursuit."*

Here was the case of an *exotic* industry planted in protection, created and maintained and preserved by protection, which had become, on the admission of a recognized free-trade authority, a well established leading industrial pursuit. I think the House may consider this a pretty fair refutation of the assertion that one trade is necessarily fostered at the expense of some other trade. Indeed we need not go so far as France to find other evidences. We have had evidences in our own country :

Boot and Shoe Manufactures—a Refutation.

We have the boot and shoe industry, which was one of the industries favored by a larger amount of protection than any other industry at that time, except one, I believe, and the object of this high protection was to create this industry and give it a foothold in Canada. What has been the result? This—that we now have a boot and shoe industry of great importance in Canada as the result of that protective measure. An industry of great magnitude and great usefulness has thus grown up in this country, under and as the direct result, of protection. It has grown to such dimensions, that, according to the statement of the hon. member for North York, and also to the statement of the hon. member for North Norfolk the other evening, boots and shoes are now made in Canada to such an extent that Canada, in this respect, controls her own market, and fears no competition from abroad. True, it was said that a few were brought in, but these were kinds that are not manufactured or much required in this country. Here was an industry that had been planted in protection. It had grown up in protection, and it had succeeded, through protection. I ask any practical man in this House—and they all knew something about leather, as they all wear boots and shoes—if any gentlemen could claim that this industry has been built up at the expense of any other industry in this country? Is it not true that boots and shoes are as cheap in this country as could be reasonably asked? We are told that if protection was entirely removed—if we had Free Trade in this matter—our manufacture is of such excellence, and such cheapness, that it would not be injured by the free importation of American boots and shoes. Then, if that were the fact, this result had not been injurious to the community; but, on the contrary, had it not been beneficial? Had it not done another thing, besides cheapening the price? Were not other industries created by it? Look at the manufacture of leather. The tanning of leather has grown up side by side with it, as a sister industry, and what did this involve? It involved a benefit to the farmer; it involved the purchase of an article that is only marketable and only has a value for tanning purposes, that is the bark that grows on the hemlock tree. It furnishes the farmer with a market for his hides; it furnishes work for a large number of men, and profitable employment for capital. The boot and shoe business and also furnishes employment for many persons. Will any gentleman in this House, then, assert that the

protective duty of 25 per cent., which has built this industry, has not benefitted the consumer and the farmer, and every other person in this country, either directly or indirectly? But I will not dwell longer upon this. I have endeavoured to make it clear that this assumption, which is the chief corner stone of the free trade edifice, is historically untrue.

The Premier's Proposition at Variance with His Past History.

But, whether true or false, it is in direct opposition to that policy under which this country attained its greatest prosperity. It is in practical opposition to the policy of the hon. the Premier himself which he has carried out during the whole period of his tenure of office. We are told by the hon. the Minister of Finance that people could not be enriched by being taxed. I would draw the attention of the government to the canal policy of this country. Now what did it mean? We have been expending millions upon millions year after year, we have been taxing the rate-payers of this country, we have been issuing bonds and imposing burdens upon the people, that will not be wiped off till a very remote period of Canadian history, in order to divert and control the carrying trade of the West. Still, that policy has been vindicated by all the public men of this country and by no gentleman more effectively and sincerely than by the hon. the Premier himself. Now what did that policy mean? What did we desire to attain by it? If I understand it right, it is a policy intended to foster and promote the great commercial industries of this country, and by artificial means to direct the trade of the great West of the United States, through Canadian channels, in order that Canadian commerce may have the benefit thereof. Now, if that is not a policy of protection, I do not know what protection means, and if that is not done by taxing the people, I do not know what taxation means. If, therefore, this enormous expense for canals does not enrich the country, then the hon. the Premier has to account for a heavy sin to the people of this country, for having taken money out of their pockets and piled up a huge national debt without doing the nation any service. That policy, though a protective one to the great commercial industries of this country, is consistently or inconsistently justified by every free trade member of this House. Why did we build our harbours, our lighthouses and our piers away down the coast? We did so for the purpose of *fostering and protecting* the commerce of this country. We did so to afford protection to the lives and property of our fishermen and to foster the fishing industry. The whole policy of the Public Works of this country is essentially a protective one, and if it is a wrong policy, then we have been doing a great injustice to the people. Why, again, do we exempt from taxation those articles required for the manufacture of ships, down on the sea board? We do it in order to protect this branch of industry, for protection may be given as effectively by a system of exemptions from duty as in any other manner.

When, therefore, our opponents characterise our policy as being an obsolete, ignorant and barbarous one, they are laying themselves open to self-condemnation for they have been legislating in that direction ever since they took office. Some light as to the future policy of the Government has been given in a portion of the speech of the hon. the Finance Minister, to which I will now refer :—

The Finance Minister Characterizes Incidental Protection as “Legalized Robbery.”

The Finance Minister explained the mode by which revenue should be raised for the public service in terms which are clear and unmistakeable. He said that taxation, however disguised, is a loss *per se*; that it is the duty of the Government to take only from the people what is necessary to the proper discharge of the public service; and *that taxation in any other mode*, is simply, in one shape or other, “legalized robbery.” The proposition was clearly stated, and of course has a distinct and definite meaning. That meaning is, that duties should invariably be imposed for revenue alone; that no other consideration than the bare question of revenue should determine the mode of raising revenue; that whenever a customs duty is in the slightest degree protective, and by reason of the protection it gave, takes from the people indirectly any money which does not go into the Treasury, it is to that extent “legalized robbery.” In vindication of this position, *which subverts the whole system of incidental protection*, he declares that he and his associates are willing “to fight to the death.” The views of the Hon. the Finance Minister are laid down in an eminent free trade work, no less an authority, indeed, than John Stuart Mill, who expressed the following opinions, which, no doubt, would be listened to with gratification by gentlemen who entertain his views:

“In countries in which the Protection theory is declining, but not yet given up, such as the United States, a doctrine has come into notice which is a sort of compromise between free trade and restriction, namely, that protection for protection's sake is improper, but that there is nothing objectionable in having as much protection as may incidentally result from a tariff framed solely for revenue. Even in England, regret is sometimes expressed that a “moderate fixed duty” was not preserved on corn, on account of the revenue it would yield. Independently, however, of the general implicity of taxes on the necessities of life, this doctrine overlooks the fact, that revenue is received only on the quantity imported, but that the tax is paid on the entire quantity consumed. To make the public pay much that the Treasury may receive a little, is not an eligible mode of obtaining a revenue. In the case of manufactured articles the doctrine involves a practical inconsistency. The object of the duty as a *means of revenue*, is *inconsistent with its affording, even incidentally, any protection*. It can only operate as protection in so far as it prevents importation; and to whatever degree it prevents importation, it affords no revenue.”

From their manifestations of assent, I understand that both the Finance Minister and the Hon. Minister of the Interior accept the foregoing extract from Mill's Political Economy as explanatory of the position for which they are willing “to fight to the death.”

Mr. Cartwright endorses Stuart Mill's mode of Raising Revenue.

Now if they took a high authority to assist them in making a diagnosis, Ministers should have confidence in the same authority

with regard to the remedy to be applied. I will therefore, again quote from John Stuart Mill :—

" Custom duties are, *ceteris paribus*, much less objectionable than excise: but they must be laid only on things which either cannot, or at least will not, be produced in the country itself; or else their production there must be prohibited (as in England is the case with tobacco), or subjected to an excise duty of equivalent amount."

If therefore, after what has been stated by Mr. Mill, we impose duties on any article manufactured in Canada, we must do one of two things; we must either prohibit the manufacture of certain articles in the country, or put on an excise duty equal to the customs duty imposed upon the same. My hon. friend may try to get out of that dilemma by asserting that revenue could not be raised in this way. I tell my hon. friend that he could do it in that way. He could reduce the customs duties one half, put on an equal amount of excise duty on articles manufactured in this country, and thus secure about an equal amount of revenue. Of goods paying $17\frac{1}{2}$ per cent. there are imported into this country \$35,000,000 worth; on that the Government received $17\frac{1}{2}$ per cent. But there are goods manufactured in this country to the value of \$221,000,000. Those would not all be of the class covered by the $17\frac{1}{2}$ per cent. list, but I assume, and no gentleman versed in these matters would dispute the correctness of the estimate, that one-fifth of the entire manufactures of this country, represented in the census returns of 1871, would come under the $17\frac{1}{2}$ per cent. list. That would be \$40,000,000. Would not my hon. friend, the Minister of Finance, get as much revenue by imposing one-half of the $17\frac{1}{2}$ per cent. customs on the \$35,000,000, and the other half as excise duty on the \$40,000,000, as if he imposed the whole on the \$35,000,000? We have many articles upon the free list which might be taxed on free trade principles. There are many articles upon which we pay a specific duty which are not produced in this country, upon which it could be made out to the satisfaction of every hon. gentleman that there is ample opportunity to levy taxation upon free trade principles—taxation which should have the blessed result of not giving protection to one industry in this country,—and that is the logical result of the principles which hon. gentlemen on the Treasury benches ask the country to accept with favour though it will involve the loss of millions of dollars now invested—and as my hon. friend from North Norfolk (Mr. Charlton) claimed, prosperously invested—in the industries of the country. I do not approve of such a method of raising the revenue. I protest against it. I say it would ruin the country. But it is the method which should be adopted, if the Finance Minister's reasoning is sound, and there is no insurmountable difficulty in the way of carrying it out. Hon. gentlemen must do this or they must accept the alternative, which is, that this is election talk; that they do not mean it; that it is a very good thing to say in Nova Scotia, where there are free traders. But in that case they

are insincere; they do not mean what they say. Then all this big talk is mere brag; it means nothing; if it DOES mean anything they would cut down by one fell blow every industry which has any start in this country. Otherwise it is mere buncombe.

Free Trade still but a Theory.

I do them the credit of believing that the Hon. the Minister of the Interior is as honest a free trader as ever broke the bread of life—from John Stuart Mill, or any other sound authority on that doctrine. The hon. gentleman believes the doctrine, and I think the Hon. the Minister of Finance believes it also, and will carry it into effect, if the country gives him the opportunity. Now the Government has invited this country—a new community—to embark upon the sea of experiment. No two nations in the world have ever accepted this view. I am quite willing to admit that among the doctrinaires of Free Trade, there are many able, intellectual men, men of sharp, bright intellect, who have thought out this question very thoroughly. I do not underrate them. They are called theorists, and properly so, because their views at present are theories; they have not been tried, but they are very able and acute men who were preaching the doctrine in these days. Tyndall and Darwin were able and acute men—none more so—but I am not prepared to accept their views simply on the ground of their acuteness and ability. Swedenborg, Fourier, and others were acute men. Many of them were like the inventor of perpetual motion, who explained his theory to *savans*. The theory seemed all right, and it was a long time before any one could find out the error in his calculations. They went over his figures and tried them several times, and last some one blundered upon the fact that he had omitted the element of friction in his calculations—a very important thing to omit, as all must admit. In the same way, there may be something lacking in the calculation of these gentlemen. It is claimed that free trade is the adopted theory in England and very great capital is made from that. My hon. friend, the Minister of the Interior, nodded very approvingly when I said that free trade was claimed by the free trade schools generally, as the rule of the commercial policy of England. Now, if the commercial policy of England is free trade, I do not understand the meaning of terms. It is not free trade, in the sense of being reciprocal trade with any other country. I believe that this boasted free trade of England, of which we have heard so much, is the most ingenious, the most thorough, and the most effective system of protection that ever was initiated on the face of the earth.

[Some hon. members—"Hear, hear."]

Free Trade in England, is Protection in Disguise.

Yes, it is protective, and I will endeavor to convince my sceptical friends that it is an effective system of protection, and as such—designed to protect and foster

the manufacturing industries of England and to give them the supremacy of the world. When and why was the present system in England introduced, and how has it worked out its results? England never dreamed of Free-Trade,—although Adam Smith had taught and written about it, and others, his disciples, had advocated it—until she had built up manufacturing industries which were so efficient that they supplied the entire home market, so that no foreign nation could go into England and compete with her on her own ground. Then she wanted to go abroad and monopolize the markets of the world. If she wanted to protect an industry, how could she do it? Not by the imposition of further duties, because that would not amount to anything. If a Chinese wall had been built around England, it would hardly have given additional protection, because no other nation could compete with her in her own market. How, then, could she protect her industries? She could not do it by the imposition of high tariffs, because they would be nugatory; but she did it by reducing the cost to the manufacturer, by taking off the duties on the raw material and on the food, so that labour and raw material would become cheaper; and to that fostering policy her manufacturers were indebted for their present position. I maintain that the removal of duties from raw material, and the imposition of customs duties upon manufactured products, are equally measures of protection. When the protectionists were asking the Finance Minister to protect the sugar interest in this country,—when they represented that it was on the verge of peril, unless the Government did something for its relief, they told the Government that this might be done in one of two ways, either by a higher duty on refined sugar, or by reducing the duty on the raw material. Either of those means was protective, and the latter method would have given that industry the greatest advantage it could have in competition with the markets of the world. The great object should be to foster and protect our industries, and to give them every advantage which the legislature of the country could possibly afford them.

England's Policy designed to Foster and Protect Manufactures and Commerce.

The vaunted free trade policy of England is essentially a selfish policy. I do not say that offensively, but it is a national policy in the interests of the nation and designed to give her supremacy in manufactures and commerce all over the world—designed to foster and protect and build the great dominant industry of the world. The legislature did all that it could do. They did not say that legislatures were helpless, that they could not do anything to help them, that they were flies on the wheel, but they met the condition squarely in the face and said that by legislation they could help this industry, give it an advantage in the world and lighten the burdens that rested on it. That was what England, in her wisdom, had done from national considerations; from the same principles that prompted

us to endeavor to build up our industries by legislation. Those interested in the sugar trade would have been content if the Finance Minister had taken a lesson in protection from England's policy, and lessened the duties on their raw materials, and thereby saved them and the country from the loss of an important industry. Sugar refining is the key to a trade with the West Indies in our manufactures, lumber, and farm products, and the blow which struck it down inflicted a serious injury upon these other interests as well. When England adopted this policy of so-called free trade, she had already gone as far as she could in the other direction. We know that before 1842 the policy of England had been a most rigidly protective one. She had even gone the length of prohibiting the exportation of machinery. Prohibition of machinery for the manufacture of flax had been continued long after the passage of the free trade Acts. I said it was not in the power of England to assist those industries by the imposition of duties, because she already had control of her own markets. In 1842, the date of the first tariff reform measure, the total amount of customs revenue derived from articles manufactured in England was less than seven and a half per cent. of the total duties levied by customs, so that the importation of articles coming into competition with English manufactures in the home market was practically of no consequence whatever to the English manufacturers, as a class. I except the duties upon silk goods, concerning which I will speak in a moment. The imposition of higher customs duties would therefore have done the manufacturers very little good, even if duties had been prohibitory. The first of the so-called Free Trade Acts was that of Sir Robert Peel, in 1842. It was followed by further legislation in 1845 and 1846, and again by Mr. Gladstone in 1853. Was England a Free Trade nation, influenced by Free Trade considerations ?

In 1853, Mr. Gladstone continues Protection to Silk Manufactures.

As late as 1853, eleven years after the country was supposed to have embarked on a Free Trade policy, Mr. Gladstone refused to take off the duties on silk, because he would not cause distress among the operatives in the silk industry. There was a howl all over the world. England was preaching Free Trade for the United States, and France, and those countries asked why, if Free Trade was so a wise policy, the English Government retained a duty of 15 per cent. on silk. But they adhered to it even after they had been derided by the world; Mr. Gladstone adhered to it in 1853, and it was not until later that England took the duty from the only article really protected by her tariff, nameiy silk. This was the only article in which English manufacturers had competition. The effect of the removal of the duties on silk was that while the importations in 1860 were 16 millions; in 1861 they ran up to 28 millions, and have since reached 60 millions yearly. The removal of the duties brought disaster. The home market was flooded with

foreign silks, numerous manufacturers of silk failed, thousands of silk operatives were thrown out of employment, and that once prosperous industry was largely prostrated. That was the record of England as a Free Trade country.

Mr. Charlton's Change of Opinions.

Having spoken of England, I desire to say a few words regarding our neighbors across the line and the policy they have adopted. But before doing so, I will take the opportunity of referring to some observations that have been made by the hon. member for North Norfolk (Mr. Charlton). In 1876 that hon. gentleman made a speech in the House on the Tariff question, and it is no flattery to the hon. member to say that no member has given to that important question more careful study than the hon. gentleman, and that no hon. member, either as a special student of the subject or as a practical business man is more competent to arrive at a correct conclusion. The propositions laid down by him in that address, were the result of thought and study, and they were, I believe, the honest conclusions of that hon. member at that time. We have the best reason to think they were his honest and deliberate opinions, for in expressing them he placed himself in antagonism to the Government which he supported. In 1877 that hon. gentleman made another speech from directly the opposite standpoint. The speech to which the House had listened this session was not the first Free Trade speech which the hon. member has made. In an address last session, he expressed practically the same views which he enunciated and expounded with such ability a few evenings since. Between the sessions of 1876 and 1877 that gentleman's views upon a question with which he had been familiar for many years, and which he had made a special study, changed to the right about, and from being an intelligent Protectionist, as he was in 1876, he became an ardent Free Trader in 1877. I would be the last to question any one's undoubted right to change his opinions upon any question, however much he might have considered it. The hon. member for North Norfolk justified his change of position by a comparison which hon. members who heard it, would remember. The hon. gentleman said the child was told by its nurse that the moon is made of green cheese and believed it, that when the child grew to be a man he knew the moon was not made of green cheese, for he judged for himself. If that illustration has any point or meaning, the hon. member desired the House to believe that in 1876 he was in the green cheese period and in 1877 the maggot in the cheese had by some miracle changed into a butterfly, that was ranging the heavens; that the scales dropped from his eyes between 1876 and 1877, whether on his way to Damascus or not we are not informed, and what had appeared to be green cheese in 1876 he could discern clearly by a different vision to be the moon, in 1877. He could not only tell us the moon was not made of green cheese, but he could count the inhabitants, and give us statistical data

concerning the industries, trades, occupations, and all the domestic affairs in that distant planet. That being the hon. gentleman's explanation, I suppose the House will, in a Parliamentary sense, be bound to accept it, and to believe that he was under lunar influence when he favored us with that formidable array of figures. But I will not so far disparage the intelligence of the hon. member as to think that he desired the House to believe that in so short a period of time, from a well-grounded and thorough Protectionist, he had entirely changed his whole views and become a settled and confirmed Free Trader. I am sure the hon. member would not desire that the House should have such a contemptible opinion of his judgment, as to suppose that in that short space of time he had entirely changed the settled opinions and convictions which had grown with his growth and strengthened with his strength, and which were honestly entertained when he made his speech in 1876. The hon. gentleman was not a silent Protectionist then. There was no one so active in promulgating his views, none so active in promoting the committee relating to depressed industries moved by the hon. member for Hamilton (Mr. Wood) and making it a success. Hon. members can not show such contempt for his judgment as to suppose that in such short time, whether by miracle or otherwise, that the scales fell from his eyes so that he saw things entirely different from what he had done before that date. The hon. member found himself placed in the same position in which other men had found themselves before to-day. He was in the position of Alexander H. Stephens, when in 1861 in Georgia, he made that very memorable and eloquent speech denouncing secession and brought the whole weight of his ability and eloquence upon the people of his State, to keep them from joining the secession movement; but the moment that movement was determined upon, he, who had fought so strenuously against secession, felt it to be his duty to the party of secession to draw the sword in favor of the party and against the country, to accept the Vice-Presidency of the Confederacy, and to give all the weight of his eloquence and influence to a cause which he had just previously denounced. It is a bad position for the hon. member from North Norfolk to occupy, yet bad as it is, self-condemnatory as it is, it is a position he has deliberately chosen, as did the distinguished gentleman referred to. The honorable member, no doubt, felt, although his action was grossly inconsistent, it was still preferable to the unenviable position occupied by the hon. members from Hamilton and other protectionist supporters of the Government, from whom he felt it at that time his duty to sever himself. If he was to serve his party at all hazards, he determined he would serve it in the livery of his party, and that he would sail under his true colors, and take the consequences of that first break; and he has done so.

Mr. Charlton's Special Pleading.

The hon. member having accepted that position, we might expect from him that extraordinary zeal and fervour usually

characteristic of new converts; and he has given marked evidences of it. I do not desire, and would not if I could, follow that hon. gentleman through the mass of figures which he prepared with such care and labour, during many weeks and months of industry, to illustrate the point he desired to make, but will say, if there ever was a specious, ingenious and laborious piece of special pleading, the figures which that hon. member had massed together and directed to a particular end, was a most noticeable instance. What was the character of the figures which the hon. member for North Norfolk gave to the House? I assume for the moment that the figures are all correct. The hon. gentleman, although he told the House in 1876 that protection was beneficial to a whole country, and especially to the agricultural interests, found it necessary, inasmuch as that was a very potent interest, to reconsider and reverse his views upon that question. The hon. gentleman attempted to convince the House and the country that agriculture had been unprosperous in the United States by reason of the high protective duties which had been adopted there. And how did he test it? That is one of the points respecting which I will show that the hon. member by the system of special pleading which he adopted, had attempted, I will not say unfairly, but ingeniously, to steal a favourable verdict from the House and country. How did he attempt to make the point that the farmers had been injured by the protective policy of the United States? Did he give instances of sales of farm products during that period? No. He made the quantity of products exported from the country a test of the prosperity within the country, not stating any particulars as to the prices,—a factor which he seems to think is of no importance. What period did the hon. member select in order to convince the House and the country that agriculturists had been unprosperous in the United States, for the reason that their exports were less during the protection than during the free trade period? He selected the period from 1860 to 1870. Has hon. members no recollection of what occurred in the United States from 1860 to 1870? Does the hon. gentleman think that hon. members in the House and the people in the country have forgotten that during that decade there had been a civil war in the United States? Does he think they have forgotten that during part of that period the cotton export, which formed the principal article of general export, had been almost *nil*? Does he forget there was a desolate South, and that instead of billions of pounds of cotton being exported, only six million pounds were exported, for instance, in the year 1863, and that it dropped to an infinitesimal amount? Does he forget that for years and years the great productive region for exports *par excellence*, the exporting region of the entire Union, was desolate and blotted out entirely, as an exporting section? Does he forget further, that not only did the exports of the great staple cotton practically cease, but when the war terminated there was a desolate country in the South, and that for years afterwards the

agricultural products of the West, the wheat and Indian corn of the Western States, had to be sent into that poverty-stricken and starving country to feed the people, and that much of the corn which, in its natural course, would seek the European market, was taken down to feed the South? Does the hon. member forget the great waste and destruction of war, and the destitution caused by one million men being taken from the industries of the country? Does the hon. gentleman forget that during that period the waste was far in excess of the actual consumption? And yet he attempts to make the House and the country believe that the decline of exports during that decade showed the extent to which agriculture has been injured in the United States by protection. The honorable gentleman was fully aware when giving those figures to the House that if he had taken another decade, reaching past some of those disastrous years, it would have told an entirely different story. He well knew that in 1867 the exports of the United States were \$41,046,034, and ran up in the following nine years of the protectionist period, until it reached \$75,899,008 in 1876, and that the imports of British home produce into the United States decreased from \$21,825,703 in 1867 to \$16,833,517 in 1876. Did he not know that during the whole decennial period from 1867 to 1876, the exports from the United States to Great Britain increased at the rate of 85 per cent, while the imports of British home produce to the United States, though never above half the value of the exports, decreased at the rate of 25 per cent? These are facts which should fairly have been stated, if the exports were to be considered a test. Yet the hon. member for North Norfolk desired to steal a favorable verdict from the House by entirely ignoring those facts and returns, and simply stating the ordinary statistics for the decade from 1860 to 1870, without calling attention to the abnormal condition of that period. If the returns proved anything it was that the exports had increased 85 per cent and the imports diminished 25 per cent. during ten years of high protection. This is the logic of facts, but it does not suit the hon. member for North Norfolk. The hon. member for Centre Toronto (Mr. Macdonald) in a speech which was very much admired for the clearness with which he made his points, declared that Canadians were suffering from depression in consequence of the diminution of the circulation. That because the discounts had diminished in two or three years 10 per cent., this shrinkage of currency produced such a startling effect on the country as to account, in the hon. member's mind, for much of the depression. But did hon. gentlemen, when considering the question of Protection across the lines, speak in that manner? Did they attribute the present condition of the United States to the expansion of circulation and discounts, the creation of an irredeemable currency, the era of inflation and high prices and of speculation, of madness, I might say, the direct result of that most inordinate overissue and the consequent depression that must naturally be felt in returning to the nor-

mal condition? All the ills that have befallen Canada could be accounted for on that theory, but when they come to consider the troubles that have befallen the United States, it was Protection alone that had brought all ills upon that country! Speaking of the United States, we have heard highly colored accounts from several hon. gentlemen as to the condition of the industries of that country. The hon. the Finance Minister read to the House the other day from a document signed by the Governor of the State of New York about the great distress; it was full of glittering generalities. Now, if I did not think I was able to throw some light on the condition of the industries of the United States, by reading what I am about to read, I would not trouble the House to listen, but I have information from a source which all will recognise as trustworthy.

Governor Rice upon the Industries of Massachusetts.

Massachusetts is the leading manufacturing State in that country, and the highest functionary in that State, Governor Rice, in his official address to the Legislature of that State, last month, gave an explanation concerning the condition of manufactures based upon official returns. We have heard of the depression in that country, of the wild lawlessness, of the lurid fires of Pittsburg; and an hon. gentleman has described a pandemonium and pictured hell on the four walls of this building for our edification, as illustrating the condition of the United States. But what said this sober-minded Governor concerning the actual condition of the manufacturing industries of his State? This is not a highly-colored picture, but a statement of pure facts. The Governor said:—

"By the result of an investigation just closed, undertaken by the Bureau of Statistics of Labour in cities and towns producing eighty-six per cent. of the whole products of the State, we are able to make an excellent comparison of the condition of our large industries in 1877 with that of 1875. In all, there has been a decrease of an average of about nine per cent. in the wages paid; but there has been an increase of working time in days. The paper made, shows an increase of nineteen days over the working time in 1875; the manufacture of worsted goods, twenty-seven days; and in the manufacture of cordage, cotton goods, carriages, straw goods, carpetings and wool hats, an increase of working time has been made; while in boots and shoes, leather and agricultural implements, there has been neither improvement nor decrease. In the manufacture of machinery, whips, musical instruments, and woollen goods, a slight decrease in working time is reported. The great industries of carpetings, paper, woollen goods, worsted goods, cigars, boots and shoes, cotton goods, leather and metallic goods, report an increase of the number of hands employed, ranging from one to thirty-five per cent. over the number of 1875; while a few of the establishments report a slight falling off in the number of persons employed. On a gold basis, the value of products from the manufacture of hats, carpetings, straw goods, cordage, paper, worsted goods, whips, cigars, boots and shoes, cotton goods, leather, musical instruments and metallic goods, has increased from five per cent. to thirty-six per cent. over the products of 1875; while but few industries show a falling off. In nearly all, there has been an increase in the quantity of goods made; but depreciation in prices, in some instances, places the value of products on the minus side of the account, instead of on the plus side, where they belong when considered as to quantity. The results of the investigation lead to belief that there are no great number of mechanics wholly out of employment, and that our industries are steadily working back to the condition they were in, prior to the panic of 1873."

Now, that is a calm and reliable statement, showing that the country is gradually and safely settling back to its normal condition. I am inclined to believe this statement of Governor Rice. It is based upon facts and returns brought in, and made before a number of manufacturers who were able to refute him had he spoken in a tone of exaggeration. I must protest against the introduction into this debate of arguments attributing the whole depression of the United States, to the system of protection. The other abnormal conditions are such that no reliable data could be given showing the actual effects of protection.

Mr. Charlton's Statistics utterly Valueless.

If we accept that proposition, we would wipe out the results of all the labour and industry which the hon. gentleman (Mr. Charlton) has put forth in order to make out his little special case before this House. If we accept that proposition, the hon. gentleman's papers are utterly valueless, they are just so much waste paper, and the days and nights he expended in accumulating them have been in vain. I do not expect the House to receive this proposition upon my individual dictum, but I have a high authority to support it. I give as an authority the name of J. E. Cairnes, M.A., late Professor of Political Economy in University College, London, who, although seeking to establish by his book the principles of free trade, disdained to make use of arguments similar to those the hon. gentleman uses, and he repudiated their use most emphatically. The Professor said:—

"And here we are confronted at once with the difficulty of interpreting an industrial experiment. The system of American Protection, in its present exaggerated form, may be regarded as dating from 1861, when the Morrill tariff became law. If all the other conditions of the case had remained substantially the same since that time, we might now, by a mere inspection of results, pronounce without hesitation on the effect of the policy then inaugurated; but instead of this observe how the facts stand. In the same year the great Civil War commenced, in the course of which the destruction of human life and of wealth in every form probably exceeded any thing which had before occurred within the same time in the history of human affairs. This was soon followed by the creation of an immense national debt, entailing a large permanent increase of taxation, and by the issue of an incontrovertible paper currency, circulating throughout the Union, and affecting alike prices and wages in every branch of trade. On the other hand, occurrences of a very different kind marked the course of the period under review, mineral resources were discovered which are now yielding vast wealth, and oil springs which have become the source of an entirely new and rapidly increasing trade. Railway enterprise, again, during the same time appears to have taken on a new activity, whilst the progress of invention in the mechanical arts has never for a moment flagged. In presence of influences so numerous, so novel, and so vast, each affecting industry in its own fashion so powerfully, who shall say what portion of what we now find existing *can properly be attributed to any one of them?* The problem, in its mere statement, brings into striking relief the utter *futility of that so-called 'inductive method'* which some writers hold to be the proper one in social and economic enquiries—the method, that is to say, which would proceed by drawing general conclusions as to the operation of particular causes from the *summarised results of statistical tables.*"

The professor protested against the fallacy of the method used by my hon. friend because there were so many conditions to derange it. The propositions my hon. friend (Mr. Charlton) has adopted here,

and just put before the House he (Cairnes) declares to be entirely fallacious and unreliable as arguments. He went on to say :—

"For, assuming that we have taken accurate stock of the present industrial condition of the United States, as well as of that which was in existence previous to 1861. So long as we confine our view to the mere statistical aspect of the case, what warrant have we for attributing any portion of the change that has taken place to one cause rather than to another. Manifestly we have none."

The ingenious compilation of my hon. friend, does not prove a single point which he desires to prove. His statistical data, according to the high authority of Professor Cairnes, were unquestionably not entitled to weight. We may attempt to measure and weigh and estimate the forces which have been at work in the United States since 1861, but if we are candid we will confess that they are so conflicting, diverse and varying that no human mind can grasp them all and extract a satisfactory conclusion. According to this high free trade authority, Professor Cairnes, my hon. friend's (Mr. Charlton's) summarized statistical data are not entitled to any weight whatever, as tending to prove what he, in his new born zeal, desires to prove. It is impossible to attribute the condition of that country to any one cause. Thus much concerning the hon. gentleman's statistics taken from the United States.

Mr. Charlton's unfairness respecting Canadian Industries.

If the House will bear with me I will show equal ground of complaint as to his unfairness in dealing with Canadian statistics. The hon. gentleman came before us with a budget of letters, which he did not read, except two—the contents of which we have not seen—but the substance of which the hon. gentleman might have fairly stated. The hon. gentleman said he had written a number of letters to manufacturers enquiring what they thought of the state of trade, and he had twenty-one answers. He also informed us that he had written a number of letters to which he had received no reply. Well, on a point of this kind, the man whose business is unprosperous, would not be likely to reply and expose the condition of that business, and the hon. gentleman might have calculated upon this in sending out the letters. Not every man cares to expose the state of his business in these critical times, and for aught the hon. gentleman has told us, he might have sent three or four hundred letters to which he had received no replies. He did not state that any one of these letters had been sent to the Province of Quebec. I do not know any manufacturer in that Province who could have given information that either he or any of his neighbours are in a prosperous condition. There might be such a *rara avis* there, but I would not know where to look for him.

Agricultural Implement Manufactures.

I notice that about half of these replies sent to the hon. gentleman were from manufacturers of agricultural implements. Just look at the unfairness of his conclusions and see how protection was illustrated in

the condition of the agricultural implement manufactures of Western Canada. What is protection? It is merely the preservation of the home market for the home manufacturer. Now, protection, that is the preservation of the home market to the home manufacturer, may be the result of tariff legislation, or it may be the result of any accidental cause which produces the same practical effect. We had pretty fair protection, as against the American manufacturer from 1862 to 1872, owing entirely to unusual causes, with which the tariff had nothing to do. I believe my hon. friend is acquainted with the fact that the over-production in American manufactures has not occurred in the agricultural implement branch. I am sure the House will be surprised to learn that a leading American manufacturer has stated that no less than 100,000 new harvesting machines per year are required to replace old worn-out machines. There have been such great improvements in reapers and harvesting machines of late that new machines are purchased before the old ones are worn out. There is a manufactory in the State of New York, not very far from Upper Canada, where something like 25,000 machines are made a year; and another manufactory in which 15,000 are made a year; and others in which 10,000, 12,000 and 15,000 are made each year, and yet altogether they have not been able to keep up with the demand in the home market for these implements. They did not send their machines to Canada, and why? because they had better markets there and their own prices. Thus the agricultural implement manufacturers here are in a situation precisely similar to that which existed during the American war in regard to all our manufactures. These manufacturers, and certain foundrymen, from several of whom replies had been read, had a *de facto* protection in Canada, because their rivals in the United States at present have an ample field in their own market and in new markets which have been established in England and on the continent of Europe for a certain class of reapers and mowers that are made in the United States. I can tell my hon. friend this—that whenever the consumption overtakes the production in the United States, Mr. Noxon, had better look out for his business! That gentleman would not be coming to this Legislature and saying he had protection enough when implements made by the manufacturer in the United States, who made 25,000 machines a year, and who had systematized his business by a division of labor so that he could make these machines at the slightest possible cost, giving to every man a particular department of work to do, came in here to compete with him (Mr. Noxon) in Canada in this class of implements. He would then find that a protection of 17½ per cent. was no where; and that the United States manufacturer with his larger capital, larger experience, his more skilled hands, with all the facilities he has for manufacturing, and for doing a larger business, would over-ride a 17½ per cent duty as if there were no duty. It would then require 30 or 33 per cent to protect this happy Mr. Noxon, who now is contentedly enjoying his little pa-

radise up at Oxford, having it all to himself, and contented now because he has no competition. To select that class of industries to make out a case, that there are no suffering industries in Canada, is unfair. There are suffering industries in Canada; industries that the hon. the Finance Minister once had the power to protect and the power to save from destruction, and from being overwhelmed by the unfair competition, by the unjust competition, by the slaughter prices which have been systematically thrust upon us from the United States; and the fact that the agricultural implement business and a few foundrymen in Upper Canada, who have written like letters, have not been so overwhelmed, results from reasons I have just explained, *i.e.*, that in the United States the production has not, as yet, exceeded the consumption in that particular line or department. When the hon. gentleman selected his men to write about an industry which he knew was prosperous, and an industry which had to-day an adequate *de facto* protection, although not a legal protection, and desired this House and this country to draw the inference that the manufacturers of Canada were in a happy or prosperous or even a tolerable condition — he attempted a most deliberate fallacy. It was an attempt to prove what did not exist by a condition of affairs that does not truly represent or by any means represent, the general condition.

Protection and Free Trade in the United States.

I have not yet got through with the United States. While persisting in the statement I first made, corroborated by the extract read from Prof. Cairnes,—that reliable results could not be arrived at from these statistical compilations, there are yet general facts connected with the condition of affairs in the United States that have some bearing on the question we are discussing. I believe it is an historical fact that the earliest protectionists in the States were from the South—that the cotton interest and the sugar interest of the Southern States believed that their industries would be benefitted by the imposition of duties upon cotton and upon sugar; that the effect would be the creation of manufacturing in the United States which would consume those raw products, and that the earliest efforts made in the direction of protection in the United States, emanated from the Southern States. What was the result? The same social repulsion which has always existed between the two sections of that great country existed as far back as that period. The same jealousy of the North against the South and of the South against the North then existed. What was the result of the protective policy thus inaugurated by the South? The expected result was that the North would be their spinners and their weavers; and that the growing trade of the North, the commerce of the North, would be injuriously affected; that this commerce would be transferred to the South, and that the agricultural industries of the South would be built

up. But what was the actual effect? A few years' experience showed them very much to their astonishment, as well as to the astonishment of the whole country, that the North was growing out of all proportion in wealth, in strength and in population, compared with the South; that it was rapidly outgrowing the South; that manufactures were springing up, that towns were becoming cities and that cities were becoming very much larger, and more wealthy, so that some cities in the North were more wealthy than some States in the South. From that moment, the South changed its policy. When they discovered this, parties changed sides on that question, and thenceforward, the North and New England were steadily favourable to protection—I am now speaking broadly—while the South has been steadily opposed to it. These two ideas of free trade and protection had a full exemplification in that country. It is true that the same tariff has governed both sections, but it is also true that the South has been impressed all along with the correctness of free trade ideas; that it has shaped its policy on free trade dogmas, and that it carried into effect its free trade beliefs; while the North, on the other hand, has been protectionist in sentiment, has believed that the creation of great industries would directly benefit the Eastern States, and indirectly prove a benefit at large, and it acted on that belief. And what had been the result? Let any one look at the condition of the North and of the South. Let any one look at the rapid accumulation of wealth in the North. Let any one look at the poverty of the South, as it was even before the war. Let any one look upon the success which has attended those sections of the country in which various industries, in which all industries, have been cultivated, encouraged, and promoted.

The Southern States favour Free Trade.

And again, let any one look at other sections, where the whole reliance was placed upon one industry. My hon. friend would tell me that I am unfair, if I forget the element of slavery, and that this element has affected the conditions there. Doubtless the element of slavery has to some extent affected these conditions, yet I have the authority of that great free trader, McCulloch, to the effect that under slave labour the South was able to grow more cotton and sugar and that more cheaply than it has ever been able since, or ever will be able to do, by free labour, so that so far as the economical problem, (saying nothing about the social or moral question) is concerned, it is believed by the highest authorities that cotton and sugar, the great staples of the South, were produced more cheaply under slave labor than they would be under free labor. Permit me to show to what views those people, the planters, the agriculturists at the South, were educated, the beliefs they were taught, and the beliefs upon which they practised. One of their orators, Mr. Garnett, of Virginia, said this: it was sound free trade doctrine:—

“I demand for American genius and industry that the shackles shall be stricken

from their hands; that this absurd Chinese policy of restriction, those worn out relics of barbarism which you call protective tariffs, shall be abandoned, and American labor be left free to choose its own pursuits and to seek its own rewards throughout the wide circle of the earth. Let the people of the North follow the bent of their genius, amazing the world by their feats of mechanical skill, and covering the remotest seas with the argosies of commerce, free as the winds and boundless as the waves that bear it. We of the South prefer the most ancient of human pursuits, the tilling of the fields; we furnish the great staples of the world's exchanges, the bread that strengthens man's heart; and the fleecy cotton that clothes him. We ask no peculiar privileges, no special benefits; we only demand that you shall not tax our industry to support yours; *that we shall be left free to sell and buy wherever our interest leads us.*"

King Cotton and King Wheat.

This was the foundation stone upon which the monarchy of King Cotton rested. They believed in King Cotton. They believed in the potency of that great agricultural staple. They believed in cotton and sugar, their great exports; they believed in free trade as the true fiscal policy; and this very same doctrine which had been preached, and which led to the delusion of the South, to the destruction of the South, and to the ruin of the South, is now being preached to the farmers of Ontario, who are invited to idolize King Wheat as the men of the South worshipped King Cotton. The free traders of this country are preaching to the farmers of Ontario that they could place their dependence upon the export of wheat and of agricultural products sent to foreign markets. Ontario farmers are being told the same sweet tale, that the orators of the South told to the growers of the sugar and the cotton in the Southern States. This was history repeating itself. Witness the desolation of the South, the inability of the South to cope with the North in the great war, and the collapse of the South; and, on the other hand, the immense resources and wealth of the North, and see how unequal the fight was. Hon. members should look on that picture to-day; one section of the country rich, one section of the country prosperous, one section of the country triumphant, while the other section of the country is blighted, the other section of the country is down-fallen and prostrate and under foot,—just by adherence to that free trade dogma, and carrying into practice the belief that they might depend on those great staples of export, cotton and sugar, the same as the farmers of Ontario are now being taught that they should place their sole reliance in their wheat, in their barley, and in what they exported; and buy goods where they could buy them in the cheapest market! It is true that New England did make money—did accumulate wealth by its industries. Gentlemen in this House discussed this question as if every dollar taken by the manufacturer was so much lost and sunk in the sea, as if every dollar of profit made by the manufacturer was something to be mourned over by the rest of the community, something out of which the whole community had been robbed, and as if it ought to be regretted if the manufacturers were prosperous and making their 10, 15 or 20 per cent. But what have the manufacturers of New England done? The prosperity of the United States to-day resulted largely from the fact that these manufacturers had accumulated wealth and had judiciously invested it. Look at the magnificent schools of the North; look at the young men these schools have educated and sent abroad into the Union, active, intelligent and practical young men, brought up in these training schools of New England; look

at the wealth that had gone to rebuild the desolate and burned Chicago; look at the wealth that had gone to the West to build its railroads. Look at the wealth that was going down South, now, to build mills and factories, to build up that stricken South, that poor poverty stricken South, which believed in its two gods—King Cotton and Free-Trade. These were the two Kings which the South had deified, and see where that idolatry of and that devotion to a fallacy, had led them. It had lured them to destruction.

The New England Policy, the True Policy for Canada.

The Opposition wanted to see the people of Canada have among themselves, for the developement of her resources, self-reliant men, brought up in the schools of toil, brought up to dignify labor, and to honor labor in themselves and others. This policy had produced a community, than which perhaps the world to-day had no superior, the people of the New England States. The policy which I would like to see introduced into Canada, and which I believe is the true policy for Canada, is to make this section of the country which we now occupy on this Continent, the New England of Canada, and to plant here those same institutions which have been the harbingers of success in the neighboring States across the line. Our conditions are precisely the same as theirs. We have the same soil, we have the same facilities for manufacturing, we have all the conditions that are kindred to theirs, and we are shortly to have what they now have, a great North-west opening beyond and boundless, which is yet to be inhabited by millions of people. I desire to say to the farmers of Ontario—here is a lesson for you, consider it. Year after year, you are impoverishing your farms by growing your wheat and sending it to England. Year after year the facilities for entering the Northwest and bringing its products down to the seaboard, are increasing; year after year in the future there is going to be a steadily increasing agricultural population in the West, who are to be your rivals in the markets of the world. While your lands are being gradually worn out and impoverished, those fields are being brought under cultivation. There is to be the great granary of the continent. Can we believe that 25 or 30 years hence the farmer of Ontario would be able to go on competing with the farmer of Saskatchewan in the raising of wheat or those products which had to go to a foreign market? The condition of the Ontario farmer is growing worse year by year, and the condition of the Western farmer is being bettered in the same ratio. The contest is an unequal one and the Ontario farmer will probably find himself in the long run in the same position as those who relied on Carolina cotton. For the Ontario farmer to raise his wheat, to ship it to England and to buy his goods in the cheapest market, would just be to kill the goose that laid the golden egg. I welcome the day when the West will be opened up, and when Ontario and Quebec will occupy the same position relatively to that country, that New England does to the great Western States.

The Finance Minister opposed to the Growth of Towns and Cities.

I have been amazed to hear the Hon. the Finance Minister, not only in his budget speeches, but also on the stump in Ontario, preaching the doctrine that the aggregation of people in great cities is

injurious to a country. Now, I would ask, could agricultural communities be injured by the formation of large towns? It is in such that farmers find their best market. If farmers take an intelligent view, they must see that their success greatly depends on the growth of large cities. When Montreal became as large as New York, and Toronto as large as Philadelphia, and when other large cities have arisen amongst us, would it not be all the better for the farming communities all round about them? Would it not enhance the value of farms and the price of farm products? It is true, as has been indicated by the Finance Minister, that in great centres of population is to be found a great deal of wickedness, a great deal that is wrong, but much also that is good and beneficent. But if these great centres were broken down and the population thereof dispersed among the agricultural populations with whom they would enter into competition, the consuming population would be so much decreased, and the producing population so much increased, that the farmer would sustain a two-fold injury. There is, I believe, a necessity for urban populations, and no class of men had a greater interest in the extension of these, than farmers.

Petroleum Duties.

Before sitting down, I wish to make reference to a matter with which my name has been associated in this House—that is, the action of the Government on the petroleum duties. The late Government, in fixing the tariff of the Dominion in 1868, thought it wise to place what seemed to be a very high duty on oil—15 cents per gallon, with 5 cents excise duty. I do not think that was objected to at the time by any person in the House; but some time subsequently, new and extensive discoveries in oil were made, better means for extracting it were also adopted, and the price had undergone a change since the time the duty was imposed, and that duty, which had formerly been a very fair one, afterwards became a very onerous one. Whether the Government at that time acted wisely or unwisely, I do not propose to discuss, but would merely state the fact.

Inaction of the Government in 1876.

In 1876, I felt it my duty to propose a reduction of the duty on coal oil from 15 cents per gallon to 7½ cents, leaving the excise tax exactly as before. The proposition, as made and explained by me, was intended to give protection of from 20 to 25 per cent. upon oil, according to the current prices at that time. It had been stated by an honourable member, in reply to my remarks that there was another charge of a cent which ought to be added. On calling at the office of the Inland Revenue, however, I found that my hon. friend was mistaken. The proposition to adjust the tariff was made by me with a sincere desire to obtain results—not for any honour which might attach to myself. I desired that members supporting the Government, should use all their influence to have the reduction quietly made, and offered to drop my resolution and leave the matter with them, if they could obtain the consent of the Government. I introduced my proposition to the House on the 3rd day of March, but I left it alone till the 31st, a period of four weeks, in order that every member might have an opportunity of investigating the matter. I certainly did not bring it forward with any desire to embarrass the Government, or to place the Government at a disadvan-

age; but I told them that this high duty had had the effect of creating a ring who controlled all oil wells and refineries, and stepped between the producer and consumer; who dictated what the price should be and compelled the consumer in Canada to pay just what American oil would cost, with the duty added. It was said by a gentleman on the other side of the House the other night that those who advocated a protective policy were inconsistent, but the want of consistency, I fear, belongs to the other side. We who entertain protectionist principles hold that the ordinary effect of protection would not ultimately enhance the price of goods to the consumer. And why? Because, when an industry is protected, those engaged in that industry had an opportunity of making money, and the result was that others finding an industry to be a profitable one would embark their capital therein; thus, competition would regulate prices. In this way rings could not be formed. Why is it that a ring can not be formed in the boot and shoe trade? Because leather, which is the raw material from which boots and shoes are made is procurable everywhere; consequently prices are reasonable. Why could not a ring be formed by those engaged in the manufacture of furniture? Because the material can be got all over the land and because competition regulates the prices. It is indeed impossible to get up monopolies in such manufacturers as those of boots and shoes, furniture and agricultural implements. But if there was an exceptional industry to which the protective system did not safely apply, and which was monopolised by a ring, then protectionists would demand that protection be reduced on that industry to a point where competition would fairly regulate prices; to tolerate rings and monopolies is a blot, a stain on the national character, and protectionists are the first to decry it. Of all the industries in Canada, the production and refining of oil is perhaps the only one in which a monopoly is possible—and that is simply because the area of production is limited, and may, by finesse, be brought under one control. There was therefore no inconsistency in their urging the Government to make this reduction. The Government is responsible for the interests of the country, the guardianship of which is committed to it. It is bound to repress injustice and rectify abuses, and it was the duty of the Government, in that instance, to make the reduction sought. I claimed that the country was suffering loss to the extent of \$1,200,000 per year. I clearly demonstrated that by retaining the excise duty there would be no diminution of revenue in consequence of the change I proposed. My argument and proofs were incontrovertible; no one attempted to deny a single position taken by me except an hon. gentleman who spoke in the interest of the ring. The sentiment of the whole House was with me, and yet the Hon. Finance Minister, while admitting all I claimed, declined to act. And why? Because, forsooth, as he declined to explain last year, it might have given rise to trouble—some motions.

Mr. Cartwright admits \$2,000,000 loss to the Country.

Since he has reduced the duty and taken all the credit of it. The Finance Minister asserts that the country saves two million dollars per year by the reduction! So it has come to this! In order that this Government may not be disturbed, in order to prevent motions that might be troublesome, they, with a majority of 60 in the House, able

to open and shut the door as they please, refuse to lift a finger, to waste a day, in order to save the country two millions of dollars, as they themselves estimate. Did they think that their devoted followers, who backed their refusal to take off the duty, would have hesitated to vote a reduction of the duty? They could not waste a day of their precious time in order to save country from a loss which was equal to the entire cost of legislation for the whole four years they had been in power. Five hundred thousand dollars a year about covers the cost of running both Houses of Parliament an entire session. Yet they could not waste a day of that time to save the country two millions.

Mr. CARTWRIGHT—How much must have been lost by hon. gentlemen opposite?

Mr. COLBY—Some think they can see all about the condition of a country by looking at columns of figures; but there are conditions working to the good or ill of the country which the Public Accounts and Trade Returns do not show. Great leakages and losses sometimes occur through the acts or omission of Governments, of which the Blue Book makes no mention. Blue books and statistical tables are not infallible. So much for the action or inaction of the Government in the session of 1876.

Legislature of 1877, "Legalised Robbery."

If they are satisfied with the course they took they are quite welcome to all the comfort they can find in it. At a cost of \$2,000,000, this government had taken a year's respite, in order to consider, as they said, and bring in a bill to meet the entire conditions of the case. They brought in a bill which embodied their own views. They were not trammelled by anything, but commenced *de novo*, and remodelled the whole thing. If I am rightly informed, the oil production of Canada is wholly within the constituencies of the Hon. the First Minister and the Hon. the Minister of the Interior, so they had all the knowledge necessary to guide them to the right conclusion the following session. And what did they do?—with all this knowledge, with this year's respite and leisure to frame an Act to meet the conditions of the case, purchased as they told them at a cost of \$2,000,000? What was this bill? It was a free trade bill which imposed upon this article a customs duty of from 50 to 60 per cent., while no other article is protected more than 17½ per cent. This Free Trade Government put on this exceptional article in this exceptional part of Canada—this article which was the only one which could be abused by rings and combinations—a duty of from 50 to 60 per cent. When they put on the duty of 6 cents a gallon, oil was worth 10 cents a gallon; they swept away the whole excise duty and recouped the country by putting it on tea; but to favour this industry, the only one which could be abused by protection, they levied a customs duty of from 50 to 60 per cent., making, according to their theory, the consumers of oil, which is made in Canada, pay, not to the Government but to the manufacturer, six cents additional for every gallon, or an additional profit of 60 per cent. Was that legalized robbery, or was it not? In whose interest was that perpetrated?

Mr. CARTWRIGHT—It was a revenue tax and a proper one.

Petroleum Ring Re-organise.

Mr. COLBY—When it was understood that the tax was to be taken off, there was no longer an oil ring until the Finance Minister determined

upon the policy he was to pursue, and then the organizers re-organized in Ontario, and an oil ring more dangerous, because more comprehensive than the old one, has grown up under the legislation they had passed in consonance with their Free Trade ideas. That was an illustration of the views of those gentlemen, and of their idea as to what a revenue tariff ought to be. Did it put every dollar of the revenue into the Treasury? Did they not know that every gallon bought of a Canadian refiner had paid him, not the Treasury, an additional six cents? Did they not know that two-thirds of the oil consumed is manufactured in Canada, and that every gallon paid six cents more than it ought to pay in consequence of the policy of the Government? If they are proud of their inaction in 1876 and of their legislation in 1877, they are welcome to any satisfaction which they can derive from the contemplation of it. So much for the oil question.

Reciprocity with the United States.

There is only one other subject to which I desire to allude. I should not be doing justice to my own convictions of what my duty is in addressing the House upon this question, if I did not make reference to the following proposition contained in the amendment:

"And moving, as it ought to do, in the direction of Reciprocity of Tariffs with our neighbors, so far as the varied interests of Canada may demand, will greatly tend to procure for this country eventually, a reciprocity of trade."

If every other member of this House should go back on the proposal contained in this amendment of the right hon. member for Kingston, I certainly could not do so, without very glaring inconsistency. On the first occasion that it was my privilege to address this Parliament as a new member, as early as 1868, the doctrine which is there announced was urged by me upon the attention of the Government of which that right hon. gentleman was then the head, and upon Parliament, for consideration. I urged that a duty of 5 cents a pound should be placed upon hops. I pointed out that while the American hop grower had free access to our market, the Canadian hop-grower had to meet a five cent duty in the United States; and asked the House on every consideration of fair play to grant the imposition of 5 cents a pound on hops. It is not done at that session, but it was at a subsequent session, and it is now on the Statute Book. I know something about the Americans, have lived among them a good deal, was educated among them, and have always lived near them. I, at that time, expressed my settled belief, though it had not then the weight with the leader of the Government that I had hoped it would have, that just so long as we were prepared to permit this unequal system by which we were excluded from the American markets, while the Americans had access to ours, they would consider it better than reciprocity and would not give us reciprocity. That was the view I then took and still hold, and I then made use of the expression which had been so much lauded and so much abused—"reciprocity of tariffs, if not reciprocity in trade." I believe the reasons I then urged were sound. I believe one need only know the American character, their shrewdness, their practical way of treating such subjects, to be convinced that so long as they have free access to our markets, and we are excluded from theirs, they will consider that they have the best of the bargain. I desire to draw attention to one thought which seems to me to bear strongly on this question.

Reciprocal Duties are defence--not Retaliation.

I know the idea that we can coerce the Americans, that four millions of people can coerce 40 millions, is often sneered at, and likened "to the tail wagging the dog." The Americans had found it necessary for the maintenance of their credit to put on high duties. That imposes upon us a corresponding necessity to protect our manufacturers and farmers, so long as this unfortunate state of things exists on the other side. There is no necessity for irritation. It will not be considered a retaliatory policy. I think it might safely be said that to two-thirds, or three-fourths, of the people of the United States, this question of reciprocity is to-day a matter of total indifference. If we went below the northern tier of States, probably if we went to the Middle States, certainly if we went to the Southern, the Southwestern, or the Pacific States, if we asked any man except a public man, what were the relations between Canada and the United States, he could not tell whether reciprocity or unequal tariff existed. It does not affect the mass of the people of the United States, who are neutral in regard to this matter. But we have active interests working against us in the States of Maine, Vermont and New York, in those sections along our frontier whose interests are agricultural, and who would be injured if our butter, beef, wool, horses, potatoes, &c., went to their markets. On that account they are intensely hostile to reciprocity. They want to keep Nova Scotia potatoes and Prince Edward Island oats out of the Boston market, and Eastern townships beef out of the the Brighton market. They desire to keep up the monopoly of the home market, which alone makes agriculture possible in barren New England. That active influence working upon the inert and indifferent mass of the nation is what we have to contend against. We have to countervail that influence, we have to create an influence against that. Does the House believe that so long as it could be shown that year by year we are taking more and more of their manufactured products, the manufacturers of New England are going to join us in the desire for a renewal of reciprocity, when it is shown that from 1873 to 1877, while prices had fallen, while imports from England had fallen, the only thing that had increased had been the amount of manufactured goods which we bought from the States—an increase of some 30 per cent.? Does the House believe that under that state of things we will get their co-operation? Let them, however, feel themselves excluded and embarrassed in getting to that market which they had heretofore used as their own market, and then we would find that they have a little feeling in favor of reciprocity. So long as the Americans continue to possess all the advantages they now enjoy, they will not give us reciprocity of trade. The sound and politic course then, to adopt, is, to put up our duties to where they were before the Reciprocity Treaty was framed; to put ourselves back to where we were then, to place ourselves in a position where we can pinch some classes in the United States and deprive them of some of those advantages which they now so freely enjoy. I thank the House for the indulgence extended to me, and beg to apologize for this abrupt termination of my speech, a circumstance which is due to the lateness of the hour. [The honorable gentleman resumed his seat amid prolonged applause.]

THE VOTE.

The following Members voted FOR the Amendment :—

YEAS :

Messieurs

Baby,	Flesher,	Mousseau,
Benoit,	Fraser,	Orton,
Blanchot,	Gibbs (<i>Ontario North</i>),	Ouimet,
Bolduc,	Gibbs (<i>Ontario South</i>),	Palmer,
Bourbeau,	Gill,	Pinsonneault,
Bowell,	Haggart,	Platt,
Brooks,	Harwood,	Plumb,
Brown,	Hurteau,	Pope, (<i>Compton</i>),
Bunster,	Jones, (<i>Leeds</i>),	Pope, (<i>Queens, P.E.I.</i>)
Cameron,	Kirkpatrick,	Robillard,
Caron,	Langevin,	Robinson,
Cimon,	Lanthier,	Robitaille,
Colby,	Little,	Rochester,
Costigan,	Macdonald (<i>Cornwall</i>),	Rouleau,
Coupal,	Macdonald (<i>Kingston</i>),	Roy,
Currier,	McDonald (<i>Cape Breton</i>),	Ryan,
Cuthbert,	McDougall (<i>Three Rivers</i>),	Schultz,
Daoust,	McKay (<i>Colchester</i>),	Short,
DeCosmos,	Macmillan,	Stephenson,
Desjardins,	McCallum,	Thompson (<i>Cariboo</i>),
Dewdney,	McCarthy,	Tupper,
Domville,	McQuade,	Wade,
Donahue,	Masson,	Wallace (<i>Norfolk</i>),
Dugas,	Methot,	Wright (<i>Ottawa</i>),
Farrow,	Monteith,	Wright (<i>Pontiac</i>).—77.
Ferguson,	Montplaisir,	

The following Members voted AGAINST the Amendment :—

NAYS :

Messieurs

Appleby,	Fleming,	McIntyre,
Archibald,	Flynn,	McIsaac,
Aylmer,	Forbes,	McNab,

NAYS :
Messieurs.

Bain,	Frechette,	Malouin,
Barthe,	Galbraith,	Metcalf,
Beckard,	Geoffrion,	Mills,
Bernier,	Gibson,	Norris,
Bertram,	Gillies,	Oliver,
Biggar,	Gillmor,	Paterson,
Blain,	Goudge,	Perry,
Borden,	Greenway,	Pettes,
Borron,	Guthrie,	Pickard,
Bourassa,	Haddow,	Pouliot,
Bowman,	Hagar,	Power,
Boyer,	Hall,	Ray,
Brouse,	Higinbotham,	Richard,
Buell,	Holton,	Roscoe,
Burk,	Horton,	Ross (Durham),
Burpee (St. John),	Huntington,	Ross (Middlesex),
Burpee (Sunbury),	Irving,	Ross (Prince Edward),
Carmichael,	Jette,	Rymal,
Cartwright,	Jones (Halifax),	Scatcherd,
Casey,	Kerr,	Scriver,
Casgrain,	Killam,	Shibley,
Charlton,	Kirk,	Sinclair,
Cheval,	Lafamme,	Skinner,
Christie,	Lajoie,	Smith (Peel),
Church,	Landerkin,	Smith (Westmoreland),
Cockburn,	Langlois,	Snider,
Coffin,	Laurier,	St. Jean,
Cook,	Macdonald (Toronto),	Taschereau,
Davies,	MacDonnell (Inverness),	Thompson (Haldimand),
Dawson,	Macdougall (Elgin),	Thompson (Welland),
De St. Georges,	McDougall (Renfrew),	Trow,
DeVobor,	MacKay (Cape Breton),	Wallace (Albert),
Dymond,	Mackenzie,	Wood,
Ferris,	McCrancey,	Yeo,
Fiset,	McGregor,	Young.—114.

The following members "paired":—

For Amendment:—

White (Renfrew),
Hon. P. Mitchell,
White (Hastings).

Against Amendment:—

Delorme (St. Hyacinthe),
D. A. Smith (Selkirk),
Hon. E. Blake (S. Bruce).

The following members were absent:—

ONTARIO :

Messrs. Blake, J. White, P. White, Jun., R. Blackburn..... 4

QUEBEC :

Messrs. McGreevy, Workman, Devlin, L. Delorme..... 4

NOVA SCOTIA :

Mr. C. Campbell 1

MANITOBA :

Messrs. Smith, Banatyne 2

NEW BRUNSWICK :

Hon. P. Mitchell, Mr. McLeod, Hon. T. Anglin (Speaker, no vote) 3

BRITISH COLUMBIA :

Mr. Cunningham..... 1

15

SUMMARY.

	For.	Against.
Ontario.....	28	56
Quebec.....	35	26
Nova Scotia.....	4	16
New Brunswick.....	3	10
British Columbia ..	4	1
Manitoba	2	0
Prince Edward Island	1	5
	<u>77</u>	<u>114</u>
		77
Government majority.....		37

MAJORITIES BY PROVINCES :—

	Against.	For.
Ontario	28 maj.	0
Quebec	0	9
Nova Scotia.....	12 "	0
New Brunswick	7 "	0
British Columbia.....	0	3
Manitoba	0	2
Prince Edward Island.....	4 "	0

Mr. MCGREEVY, M.P., for Quebec West, was in favor of the Amendment ; but his " pair " lapsed before the vote was taken.

Messrs. DEVLIN and WORKMAN, of Montreal, were absent—the great Commercial City of Montreal being thus virtually unrepresented—Mr. JETTE, M.P., for the Eastern Division, voting *against* the Amendment.

Messrs. WOOD and IRVING, of the great Manufacturing City of Hamilton, also voted *against* the Amendment.

SUMMARY.

The National policy, as proclaimed by Sir John A. Macdonald (7)—New party issues in Canada (8)—Nature of Sir John A. Macdonald's motion (8)—Revenue not the sole object of a tariff (9)—National policy, as defined by Mr. Charlton in 1876 (9)—Ministerial policy, Free Trade declared to be the policy of the "Reform" Party, by Mr. Dymond in 1876 (11)—The Free Trade corner-stone of the Premier, and his declaration of the evils of Protection (12)—Benjamin Franklin's remarks on the necessity of Protection in a young country (12)—The Premier's assumptions historically untrue (13)—History of Protection and its results in England and France (13)—Statistics of the sugar industry in Europe, statement of Mr. J. R. McCulloch (14)—Manufacture of boots and shoes in Canada, its successful growth under protection (16)—The Premier's present attitude and past history (17)—The Canadian Public Works policy virtually protective (17)—Incidental protection declared by the Finance Minister to be "legalised robbery" (18)—John Stuart Mill's definition of incidental protection (18)—His views endorsed by the Finance Minister (18)—Free trade is still but a theory (20)—Free Trade in England is protection in disguise (20)—Protective policy fosters manufactures and commerce (21)—The first Free Trade Act in England, 1842 (22)—In 1853, Mr. Gladstone refused to reduce silk duties (22)—Mr. Charlton's change of opinions since 1876 (23)—His special pleading and arguments respecting United States refuted (24)—Mr. John Macdonald on Canadian depression (26)—Governor Rice upon the industries of Massachusetts (27)—Mr. Charlton's statistics valueless (28)—Professor Cairnes' comments on protection in U. S. (28)—Mr. Charlton's unfairness respecting Canadian industries (29)—Agricultural implements, no competition from U. S. manufacturers, their home demand exceeding supply (29)—Protection the preservation of home market for home manufactures (30)—History of protection in the U. S., North and South, cotton and sugar interests, why the Southern States favor Free Trade (31)—Comparison with Canadian situation, "King Cotton" and "King Wheat" (33)—The prosperous manufactures of the North beneficial to the whole Republic (33)—The policy of New England the true policy for Canada (34)—The farmers of Ontario, future competition of the North-West (34)—The Finance Minister's opposition to growth of cities (34)—Growing cities enhance the value of farming districts (35)—Coal oil, refusal of Government to reduce duty in 1876 (35)—Loss of \$2,000,000 to the country (36)—Legislation of 1877, legalised robbery (37)—Petroleum rings reorganized (37)—Remarks on Reciprocity, defense not retaliation, Reciprocal trade or Reciprocal tariff (38-9.)

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